97-84012-7

Perkins, George Walbridge

We are as unprepared for peace as we are for war

[New York]

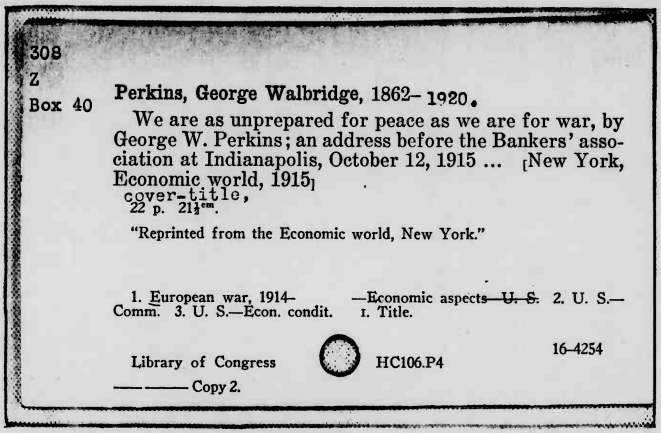
[1915]

97-84012-7
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD



308
Z
Box 40

Perkins, George Walbridge, 1862– 1920.

We are as unprepared for peace as we are for war, by George W. Perkins; an address before the Bankers' association at Indianapolis, October 12, 1915 ... [New York, Economic world, 1915]
cover-title,
22 p. 21½cm.

"Reprinted from the Economic world, New York."

1. European war, 1914– —Economic aspects—U. S. 2. U. S.—Comm. 3. U. S.—Econ. condit. I. Title.

Library of Congress HC106.P4 16-4254
——— Copy 2.

RESTRICTIONS ON USE: *Reproductions may not be made without permission from Columbia University Libraries.*

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm REDUCTION RATIO: 10:1 IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 2-4-97 INITIALS: PB.

TRACKING # : 20857

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

BIBLIOGRAPHIC IRREGULARITIES

MAIN ENTRY: Perkins, George Walbridge

We are as unprepared for peace as we are for war

Bibliographic Irregularities in the Original Document:

List all volumes and pages affected; include name of institution if filming borrowed text.

_____Page(s) missing/not available:_____

_____Volume(s) missing/not available:_____

_____Illegible and/or damaged page(s):_____

_____

_____Page(s) or volume(s) misnumbered:_____

_____Bound out of sequence:_____

_____Page(s) or volume(s) filmed from copy borrowed from:_____

_____

_____Other:_____

_____

X note to reader on cover page

_____Inserted material:_____

TRACKING#: MSH20851

308
Z
Box 40

WE ARE AS UNPREPARED FOR PEACE AS WE ARE FOR WAR

By
GEORGE W. PERKINS

An Address Before the Bankers' Association
at Indianapolis, October 12, 1915

Reprinted from
The Economic World
New York

READER:

SIR:—The accompanying article is the fourth in the series of constructive studies of the conditions precedent to the genuine welfare, prosperity and national efficiency of the United States, which Mr. George W. Perkins has prepared for particular occasions, and which have been published in the pages of THE ECONOMIC WORLD and subsequently given still wider circulation by us in pamphlet form. Great numbers of men of affairs and of patriotic citizens generally all over the country have evinced deep interest in the former articles; and they should find the present study of "industrial preparedness" equally illuminating and instructive.

Will you be good enough to give an attentive reading to this article, and to write us your opinion about it? What you write will be considered confidential, if you so desire; otherwise we shall feel free to use it for publication.

THE EDITORS,
THE ECONOMIC WORLD,
80 Wall St., New York City

FOREWORD.

The American people at last begins to realize that the problem of "national preparedness," in the broadest sense of that term, is upon it, and that it must be resolutely and adequately taken up at once. If we are to withstand, in the days ahead of us, the inimical operation of world forces, both political and economic, the effects of which will be enormously intensified by the European War, our national life must have unanimity of purpose, co-ordination of effort and effectiveness of action.

The obvious lesson of the present war is that great nations may no longer count upon crossing bridges when they come to them, upon the mere extemporaneous gathering together of their powers to meet crises, when these suddenly arise, or upon the ability of their citizens, accustomed to go each his own way, according to his own interests and predilections, to acquire off-hand a clear vision of the common objective, or the collective energy and efficiency necessary to attain that objective with the least possible waste, loss and risk of failure.

It is true that this great lesson is now being impressed upon us chiefly in a military sense; but every thinking person must perceive that its implications are no less cogently applicable for the nations of the earth—our own among them—when they are at peace than when they are at war.

Such is the situation which the people of the United States must prepare to meet; and "national preparedness" means for us the clearing away at a stroke of all public policies that have their roots in the selfish conceptions of sections or factions or classes in the country, the establishment of firm principles of common action for permanently beneficial ends, and the substitution in the minds of all patriotic citizens of ideals of the general good for ideals of particular advantage here or there. Mr. Perkins' article is a contribution to this programme.

THE EDITORS,
THE ECONOMIC WORLD,
80 Wall St, New York City

WE ARE AS UNPREPARED FOR PEACE AS WE ARE FOR WAR.

By George W. Perkins

I TAKE it that no sane, thoughtful person any longer questions the assertion that we are unprepared for war. The events of the past year and a half in China, Russia, England, France and other countries clearly show what can happen to the people of a country that is unprepared for war, and how, in case of war, a myriad of lives must be sacrificed and millions of dollars worth of property destroyed while the nation is engaged in the task of preparation. A government that will expose its people to this risk is not a wise and prudent one.

Preparedness for War.

Our country, therefore, has received with almost universal approval President Wilson's statement of several days ago that he now favors a policy for National Defense. We are informed that the Army and the Navy departments are busily engaged in making plans and estimates. The Navy Department has appointed a committee of citizens, who are inventors and experts, of which Mr. Thomas A. Edison is the head, to advise with and help the Navy Department in its preparations. The papers tell us that Congress may be asked for as much as $800,000,000 to carry out a programme of preparedness and defense. All this has to do with the possibilities of war.

Unpreparedness for Peace.

What has happened to the rest of the world during the past year has aroused us to a sense of our own unpreparedness. Until this frightful war broke out we were sailing on, blissfully and serenely, without making any preparations for defense against invasion by a foreign foe. Suddenly we have awakened to our dangerous condition. And yet the question of our being attacked by a foreign foe with battleships, submarines, airships and armies is not a certainty—it is but a possibility. **We may not have to face a war at arms with foreign nations, but we are certain to face war in industry with foreign nations. War may not come, but peace will surely come, and, after peace, industrial conflict.**

We may not be invaded with long-range guns, but we actually are being and will continue to be invaded with long-range methods of inter-communication. The long-range gun, the submarine, and the airship are the most deadly instruments of modern war at arms. The long-distance telephone, the Atlantic cable, and the wireless are the most deadly instruments of war in industry. We may not have to face the former; we are already obliged to face the latter.

Industrial Depression Before the European War.

Every man from Maine to California who is in any way engaged in banking or industrial pursuits knows that when this war broke out the business of this country was rapidly shutting down. Factories were closing or going on short time. Thousands of men were being thrown out of work and an industrial depression was upon us. This depression

had been gathering force and headway for several years, largely because of the construction placed on the Sherman law by different governmental officials of various parties. Under these constructions the business men of this country reached a point where it was impossible for them to know how they could do business on a co-operative scale and do it legally. The result was that attempts to organize new enterprises on a large or co-operative scale were given up; for men even as ambitious and energetic as our American business men are not going to risk a jail sentence in undertaking a business enterprise. The Taft policy of dissolution as a solution of the trust problem had capped the climax. Expansion in business languished when the Democratic Party came into power and passed its tariff measure. The effects of this began to be felt keenly in the Spring of last year. By mid-Summer our combined troubles over the Sherman law and the Wilson tariff law brought a depression that was country-wide and increasing in intensity each month and we found ourselves, as Governor Ferguson, of Texas, very aptly said, "broke, with our pockets full of money."

What Will Happen After the War?

At that time the great European War suddenly began, and automatically a high tariff wall was built around this country. Europe had to turn her attention instantly from manufacturing goods which she could sell abroad in times of peace to manufacturing war materials for use in her great internal struggle. Hundreds of thousands of men were taken out of her factories and put into her armies. In addition to this, she found herself compelled to come to us for war supplies. Her orders for these supplies set

our idle factories at work and re-employed our men who were walking the streets seeking work, so that during the last few months we have seen a large percentage of our idle men put to work on what we call "war orders" from Europe. This, of course, is purely a temporary condition. Some day the war will cease—probably as suddenly as it began—and our men will no longer have this work. At approximately the same moment that Europe's demand on us for war supplies largely ceases, her men will be put to work manufacturing the things that she was selling to us so successfully under the Wilson tariff when the war broke out. In short, the end of this frightful war will automatically put many of our men out of work and many of Europe's men at work.

Identically the same condition will prevail that existed when the war broke out, **plus** another extremely important factor that did not exist at that time, viz., we shall have a very large amount of Europe's gold; Europe will of necessity make every possible effort to get back that gold and she will find that her easiest way—in fact, almost her only way—will lie in the direction of selling us manufactured goods at prices low enough to win back the gold she has lost. This will require her to use men in her factories at low wages, but those men will not consider it a hardship to exchange the trenches where they have been working for a few cents a day, on short rations, for factories where they will get better wages, beds to sleep on, protection for their lives and better food. On the other hand, our men over here will consider it a hardship to give up the high wages they are now getting for making war materials and accept lower wages for making materials used in times of peace. It seems to me that this phase of the matter is of the utmost

importance to our people, and if our Government were alive to this situation and eager to look after the welfare of its industrial classes it would at this very moment be at work on a policy of preparedness against this industrial war that is bound to come when peace is restored.

It will not do to lull ourselves to sleep with the argument that when this war is over Europe will be so exhausted in men and money that she cannot compete with us in the manufacturing lines. Emergencies and difficulties quicken the faculties of a resourceful people, and no country on the civilized globe to-day is more resourceful than Germany. **It is a great mistake to expect Europe to be hopelessly crippled, industrially speaking, when this war is over. The thing Europe will be crippled for will be gold. We shall have it, and her only way to get it will be by sending us manufactured goods at prices low enough to get back that gold; and this she will unquestionably do. As matters stand to-day we are wholly unprepared to repel her attempt to do this.**

The Need of a Non-Partisan Tariff Commission.

How can we prepare ourselves against Europe's industrial invasion? It seems to me there is just one way to do it and that is by securing from our Congress next Winter a bill that will create a non-partisan, scientific, permanent tariff commission that will be in constant session, taking up the tariff item by item, without regard to whether it should be high or low, but purely on the basis of what is equitable and right for all parties concerned and of proper reciprocity with other countries. Such a commission should be made permanent; it should at least be given full power to investigate and to recommend schedules to Con-

gress; it should be given all the power possible under our Constitution, and should be put in such a position toward the public that its findings, when announced, would carry so much weight that Congress could scarcely refuse to enact them into law.

Some people may object to this on the ground that it would be tantamount to taking the tariff-making power away from Congress and putting it in the hands of a committee; but this is no argument at all, because for thirty years our tariff has been made and remade, and each time by a small committee of the House and of the Senate, on purely a log-rolling political basis for political advantage. This small committee has then reported it to Congress, which has passed it without a large percentage of the members of Congress knowing much, if anything, more about it than the public itself knew.

The situation seems so clear, the need so urgent, the preparedness so necessary that I believe that, if the people of this country—farmers, laborers, bankers, manufacturers—will join in a unanimous demand on Congress for some such action next Winter, it can be secured from the present Democratic Congress; for while the Democratic Party is not in favor of a high tariff, it could with great propriety, it seems to me, be in favor of a tariff commission, for this does not mean a high tariff nor a low tariff, but a proper tariff.

Some of our Republican friends are urging that the Republican Party be returned to power, in which event it would adopt a policy of preparedness in this tariff matter by giving us a high tariff. It is dangerous to wait until 1917 to begin a policy of preparedness in this tariff matter, for the war may and probably will end sooner than that.

Then, too, we have been engaged long enough in this game of a low tariff by the Democrats and a high tariff by the Republicans. Five or six times during the past thirty years we have gone through this experience and each time with great loss to business and with thousands of men thrown out of work. Only recently Mr. Penrose told us that he was working on a revision of the Payne-Aldrich bill, which he proposed to introduce as soon as Congress convened. As Senator Penrose will in all probability be the Republican leader in the Senate next Winter, this means that the Republicans will endeavor to give us a Penrose-Cannon bill in place of a Payne-Aldrich bill. If such a course were pursued, it would only be a question of a few years until our Democratic friends would again make an issue of the tariff and we would once again go through the same performance we have gone through half a dozen times before.

Why temporize any longer with this great question? Why not meet it now and settle it now by all joining together, regardless of party ties and affiliations, and bringing the right sort of intelligent arguments to bear on Congress in such a way that Congress will dispose of the matter this coming Winter?

Some of us who have been deeply interested in this whole question have for this very purpose recently organized in Chicago a Tariff Commission League. It is purely non-political, formed to educate the public as to the impending danger and to urge upon Congress the necessity for preparedness in this respect.

The Need of a Merchant Marine.

The present war, frightful and regrettable as it is, furnishes this country with an unprecedented and enormous

opportunity to extend its foreign trade. No civilized people ever had such golden opportunities within their reach, and yet our unpreparedness to take advantage of them is so great that they are slipping away from us, and, as matters stand to-day, when peace comes we shall find ourselves worse off in the matter of our foreign trade relations than we were when the war began. If this should be the result, the responsibility will rest almost wholly on our Federal Government, which seems to be entirely incompetent and impotent to cope with the situation.

In addition to the tariff situation, let me cite in support of this assertion two or three other practical illustrations. Take the matter of our merchant marine. After the war broke out it immediately became evident that we were entirely unprepared with merchant ships on the seas. Our Government at once advocated the policy of a Government-owned merchant marine, and you all remember the precious time that was lost in debating this question in Congress and the Administration's defeat.

During the same Congress the La Follette bill was passed and signed by President Wilson, since which time our steamship lines on the Pacific Ocean have gone out of business and our place in that great trade is rapidly being taken by Japan; so that the net result of our Governmental activities since the war began, in the matter of a merchant marine, has been a marked decrease in our preparedness.

It is true that the Administration's policy for a Government-owned merchant marine was defeated, but several times since it met with that defeat the Government has made it known that it would take up the same programme again next Winter, and of course individual investors will not go into the shipping business on a large scale with

government competition threatening, in addition to other difficulties.

In glaring headlines and optimistic editorials our newspapers tell us that after this war is over New York will become the financial center of the world. I should like to know how this can be worked out in a practical way when the other nations own most of the ships with which to carry on the trade that makes the financial center of the world. London obtained and held her financial power because of her supremacy on the seas; and we shall never be able to obtain and hold anything like supremacy in international trade so long as other nations control the shipping.

An Unprejudiced Witness from Hong Kong.

To give you some idea of what has happened in this respect on the Pacific Ocean during the past few months, let me submit the following from a report to the Department of Commerce, at Washington, by Consul General Anderson, of Hong Kong, made on August 20th of this year. He says:

"The sale of the vessels of the Pacific Mail Steam-
"ship Co. engaged in trans-Pacific service has precipi-
"tated a crisis in the carrying trade of the Far East,
"which is of the greatest possible practical importance
"to American exporters and importers.

"As is generally known, the sale includes all American
"vessels of the trans-Pacific fleet of this company. The
"company has prepared to wind up its business in this
"part of the world completely. Orders have been sent
"general agents to close up their own agencies as well
"as all sub-agencies in all parts of the Far East. The
"personnel of the staffs in various offices have been

"given similar notice, with an indication of what steam-
"ers they are to take for their return to the United
"States and notice of no employment when they reach
"the United States. In Hong Kong the offices of the
"company are to be closed and the lease of an excep-
"tionally favorable office location has been taken over
"by a competing Japanese company.

"The loss of this tonnage amounts to about 224,000
"tons of actual carrying capacity without considering
"the possible expansion of which it is capable, reducing
"the total available tonnage across the Pacific to about
"half what it has been. The shortage becomes a direct
"and positive menace to all American trade in the
"Pacific.

"In the ordinary course of shipping affairs the loss
"of one company in such a trade would soon be made
"up by other companies placing ships on the run and
"taking up the business offered. Unfortunately there
"is little or no relief in sight in the present instance, for
"the Japanese Government has ordered the Japanese
"lines, all of which enjoy substantial, not to say large,
"subsidies from the Japanese Government, to take freight
"during certain months from Japanese ports only, thus
"serving Japanese industries and Japanese shippers in
"preference to other shippers in the Far East and, of
"course, without any reference to American interests in
"the premises.

"The only expansion probable is in Japanese lines,
"which are, in fact, making every effort to seize the
"trade of this American company as it relinquishes its
"business.

"While the general situation is bad enough, in that

"the only American steamship line operating on the Pa-
"cific has been driven from the ocean after many years
"of service (the Pacific Mail Co. was the oldest line
"operating on the Pacific Ocean) with all the loss of
"prestige to American trade which such change implies,
"and while it is disconcerting, to say the least, that
"business built up after long years of service by an Amer-
"ican company is being taken by Japanese competitors
"serving under heavy subsidies from the Japanese Gov-
"ernment, and with every possible assistance in other
"ways from such Government, the chief fact to be con-
"sidered at the immediate moment is that there are not
"now, and so far as may be seen at present, neither are
"there likely to be soon, sufficient vessels to carry
"American freight to its Eastern markets, or carry
"Asiatic raw materials to American manufacturers, while
"postal service and all similar facilities of trade depend-
"ing upon rapid and regular communication between the
"United States and the Far East can but be irregular
"and precarious for an indefinite period in the future.
"Whatever may be the cause or occasion for recent
"changes the actual result of such changes has been the
"placing of American trade and American interests in the
"Far East in the greatest jeopardy."

That indictment of the present administration was drawn by one of its own representatives, and is the result of the shipping bill signed by President Wilson last year. Can you imagine a more stupid, short-sighted policy than we have been following during the past year in the matter of preparedness for industrial activities on the high seas? Taft pursued a policy of dissolution on land and Wilson is pursuing a policy of dissolution on water; and between the

two the industrial development of this country is betwee the devil and the deep sea.

The Chinese Loan.

The present administration dealt another severe blow to our foreign trade in the Far East when, during the first days of the Wilson administration, it refused to allow our American bankers to participate in an international loan that was being made to China. Our bankers withdrew at the request of President Wilson, and the loan was made by Europe. In making it, Europe concluded trade arrangements with China by which very little, if any, of the actual money of the loan went to China, for goods went in liquidation of the loan. Of course, the English, French and Austrian merchants who furnished these goods immediately opened up trade relations with China which they will enjoy hereafter, while we threw away that golden opportunity for future trade with China.

The Anglo-French Loan and Trade Extension.

Only a week or two ago our bankers in New York concluded a $500,000,000 loan with England and France. Our Government again failed to embrace a golden opportunity for industrial preparedness, for, so far as we know, it took no hand whatever in these loan negotiations; it allowed the bankers to go on and make them without any regard whatever for the opportunity that presented itself to negotiate trade arrangements with England. Now imagine this country in war, for instance, with Japan and China and our going to England and France for a $500,000,000 loan. Does any man in this country doubt that the English and French Governments would immediately sit in with their

bankers and see to it that trade advantages were secured for the industries of their countries as part consideration for such a colossal sum as $500,000,000?

The Harlequin History of Our Anti-Trust Procedure.

As to our corporation question, the Sherman law and our policy of doing business, chaos reigns. In this great era of opportunity when we should have large industrial units reaching out all over the world with ample capital and large and well-organized bodies of men to capture international trade, which England and Germany with their great industrial machines have been enjoying, we not only have no ships but the few large industrial machines we have our Government is trying to legally destroy.

The policy of the Roosevelt administration was that there were good and bad trusts.

The policy of the Taft administration was that morals have nothing to do with the case—that the Sherman law must be enforced. You all know what happened in the dissolution of the Standard Oil and Tobacco Companies and the blight that fell upon business because of the many dissolution suits Mr. Wickersham prosecuted.

The Wilson administration said, when it created the Federal Trade Commission, that all would be well with business; yet months have gone by and no business concern has been able to get any help or advice from this Commission as to how it can do business legally on a co-operative scale. I recently heard that the Federal Trade Commission, of which we were told to expect so much, on its recent trip of inspection to the Pacific Coast, received over three hundred requests, asking how business on a comparatively large scale

could be done legally. The Commission could not answer any of these questions, for the simple reason that neither it nor anyone else knows what the Sherman law permits or prohibits.

Here we have three consecutive administrations, each having an entirely different view of what the Sherman law means and how business cannot be done. In short, the attempt has been made to conduct business in this country, or, rather, not to conduct it, on the personal opinion of some one man who for the moment happens to be in a position of great executive power.

The Need of a Uniform National Incorporation Law.

Meanwhile, none of the evils of which the people have been complaining in the organization of our large industrial companies have been corrected. Over-capitalization has continued; lack of publicity has continued, with no effort to correct it. Now we hear that a new steel company is to be organized; that a half dozen men have gathered around a table and decided that the capitalization of the new company is to be many millions more than the capitalization of the component companies; yet there is no law to prevent this. These gentlemen can go to some one of the forty odd States—it matters not which—and somewhere find a law that will enable them to organize. They can sell their watered stock to the public without any prospectus or subsequent method of accounting, and do it without interference. The risk they will take will be that five or seven or ten years from now some man in executive authority at Washington may decide that for political reasons it will be a good thing to attack this new company and try to put it out of business. We are told, in this connection, that all

will be well as soon as the two or three large trust suits now pending are decided by the Supreme Court. This is rank nonsense. No two industrial companies are organized alike or do business alike; and, therefore, an interpretation by the Supreme Court of the Sherman law in one case will not be a certain guide for all cases. It is impossible, therefore, under the present Sherman law for this country to organize industrially on as large a scale as is necessary to go out and compete with England and Germany for international trade. In short, we are in this all-important matter wholly unprepared for industrial peace.

The whole policy of our Government during recent years has been a repellant one—a destructive one and not a helpful and constructive one—to industrial enterprise in this country.

In my judgment, we will never be able to settle the corporation question in a manner that will bring preparedness for foreign trade, or anything like efficiency in domestic trade, until Congress gives us a federal incorporation law by which a large industrial concern desiring to do business in all the States and abroad can go to Washington, lay its prospectus before a Commission, and,—if it can show that Commission that its capitalization is to be honest, its publicity to be complete,—secure its charter and know that it is legally incorporated and free from constant harassing after it gets under way.

The Government Should Prepare for Industrial Peace.

It would be impossible in one paper on this subject of unpreparedness in times of peace to begin to cover the ground and present all the arguments in proof of the assertion that we are as unprepared for peace as we are for

war. I have only endeavored to cite some important and striking ones. Allow me to urge you to follow the question up and investigate it for yourselves. I believe that if you think of it deeply enough and earnestly enough, you will agree with me that we are as unprepared for peace as for war and that it is the duty of every citizen in this country to arouse himself to the seriousness of the situation and to do all that he can to arouse our Government at Washington and to make it take at least some intelligent active interest in this question, and do it now.

Our Government is at last aroused to the fact that we are unprepared for war. It is engaging from the ranks of our citizens the best minds in the country to advise it as to how to prepare a war defense. It is contemplating the expenditure of tens of millions of dollars. Why not pursue a similar policy in preparing for our industrial future?

The New Economic Era Calls for World Vision.

It is high time that this was done. When this war is over we are going to face a great new economic era. Only the other day we were startled to find that a new discovery made it possible for a human voice to carry from Washington to Honolulu without even the use of a wire. We are told that within a short time the human voice can in this way be carried around the globe. This is such a startling proposition as to stagger the imagination. It means that the world has been drawn into one close compact body. It means that any merchant can invade any other merchant's territory, anywhere in the world, with instant communication. It means that not only county lines and State lines are wiped out, but that international lines are wiped out, indus-

rially speaking; that whether we would or no we are no onger an isolated country.

We are a part of one great world-wide federation; and the sooner we realize this fact and prepare to meet it the better off we shall be. We cannot evade the new on-coming conditions. To attempt to turn back to small units of business and to old competitive methods is futile, and every well-informed man knows it. The failure of our Government in Washington to act in a large and constructive way on this whole question cannot fail to arouse great apprehension and fear for our industrial future.

Our politicians and so-called statesmen have given most of their thought to local questions, local issues, and what would elect them to office and bring them personal aggrandizement or gain. We must abandon this provincial sort of statesmanship. We must have men who will take a world-wide view of affairs. We must have more deep, intelligent thought and study of not only our problems but the world's problems.

In the New Era We Must Make Democracy Efficient.

We have been living in a land of milk and honey, where, during the last half century, things have come a mighty sight easier than in countries like England, France and Germany. Ours has been a new and undeveloped country, with a matchless climate, rich mines and fertile soil in abundance.

A people that could not have got on pretty well during the last half century, under the conditions under which we have lived, would have been a pretty stupid lot; but during the next half century we must face two new conditions, each of the utmost importance:

First, the fact that we have spread throughout our country and opened it up. We have skimmed off the cream, so to speak. There is no more new land to be taken up. Our mineral resources have been opened up and are fairly well known. We are, therefore, facing conditions more like those under which England, France and Germany have lived, where frugality and efficiency must be practiced and studied.

Second, the great forces of inter-communication have drawn the world so close together that we must hereafter meet in sharp conflict the competition of the rest of the world. To do this we must know what the rest of the world is doing—know it intelligently, scientifically and thoroughly—and be prepared to meet it.

Easy Wealth Leads to Superficial Methods.

At the present time, our thought and knowledge on these two vast and all-important questions is superficial and sadly lacking. To illustrate what I mean, let me tell you the following story, recited to me only a few weeks ago by an American merchant just back from Germany:

One evening this man found himself seated at dinner next to one of the officials of the German Government's agricultural department. My American friend asked the German official what he thought of our country, and the German said he thought we had a very wonderful country and that we had had a wonderful period of prosperity, but that he doubted if our future held in store for us the prosperity we have enjoyed in the past. My friend asked him, why; and he replied, because we were a superficial people, did not study our problems earnestly enough, and were not prepared for the world struggle in industry which was facing every

civilized nation. To illustrate what he meant, he remarked that unless our annual wheat crop reached a billion bushels we thought we were poor. If we secured a billion bushels, we thought all was well and nothing could harm us. Then the German said that they were trying to get their people to pay less attention to the raising of wheat, to buy more of it from us, and to pay more attention to raising beets, to be manufactured into sugar and the sugar sold to us; that they knew that every bushel of wheat that came out of the ground took about 20 per cent of its nutriment from the strength of the soil, while the beets took most of their nutriment from the air; and they thought they were making a pretty good trade if they could eventually reach a point where they would exchange their beets for our wheat, which would in effect be swapping their good air for our rich soil.

That story may seem a bit fantastic, but to my mind it is an absolutely accurate comparison of the mental process by which Germany goes at her great industrial problems and the mental process by which we go at our problems. She is thorough to the last degree and we are superficial to a great degree.

The Country Needs Clear Thinkers and Unselfish Doers.

Gentlemen, in my judgment, the great economic questions confronting us to-day are as vital and important to the future welfare of our people as were the great moral questions that confronted us in 1776 and 1860. Those questions were settled by men who were willing to give up something, forego something, deny themselves something for the sake of their country and its future; and our questions of to-day, all-important and vital as they are, can only

be settled by men of the same type, working in the same unselfish, disinterested way. We must have practical, well-equipped men, who will go to our Congress and to our great executive offices in a spirit of self-sacrifice and patriotism—men who believe in service for service's sake. You men here in Indiana and similar men in other States have got to pause and think a little less about how much money you are making and a little more about what kind of a country you are making. Will you not do it, and do it now?

MSH 20851

END OF
TITLE